MSC DRIFFING

CONFIDENTIAL

20 April 1955

THREATS IN GERMANY

- Thile USSR dangles treaty "carrot" before eager Austrians' eyes, the Communist "stick" is being brandished at German cousing.
 - Since I April, East Gormans have resumed pressures, both physical and psychological, on West Berlin.
 - Seem to be preparing to seal off West Berlin from East Germany.
- II. Added motive for isolation West Berlin may be Communist desire for improved internal security in East Germany. now that conscription is imminent.
 - A. Would prevent west Berlin being haven for draftdodgers, dissidents.

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- III. First direct harassment came on 1 April, when East Germans jumped the tolls paid by trucks moving between Federal Republic and Test Berlin.
 - Average toll (based on load weight) went from \$5 to \$50 per trip.
 - This is an impossible fee for small trucker to pay.

NO CHANGE IN CLASS. []

B. Both West Berlin and Bonn have voted interia subsidies (total: \$360,000) but fund will soon be exhausted, perhaps by next week.

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- C. West German attempts to negotiate tell reduction have suagged on technicians level.
 - 1. East Gorman demands that issue be discussed at ministorial level are seen as device to assert sovereigaty.
 - 2. West Gormans have refused ministerial negotiations and, as reprisal, have decided on slow-down of interzonal trade deliveries.
- IV. First psychological attack came on 12 April, when East Germans, in announcing arrest of 521 "Western spies," threstened West Berliners with "inconveniences" unless action taken against Western intelligence activities in city.
 - A. Figure presumably includes arrests for past 3-4 years.
 - 1. Of 25 "spics" mased in announcement, several are known to have been arrested in '53.
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- V. At present, Berlin seething with mixture of runors and possibly credible reports of further East German isolation plans. Nost credible of these include: (NOTE: Await cable confirmation before using A. B and C).
 - A. Border police has reportedly been strengthened.
 - E. A plan to cut East German communications and rail links through West Berlin.
 - 1. Exat Germans may be preparing to sever elevated lines through West Berlin.

STOPET

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- C. Plans to increase restrictions on movements of persons across Berlin borders.
- West Berlin Land Labor Office reports that 3,000 West Berliners employed in East Berlin have been fired in last two months: officials fear that remaining 12,000 will soon be dismissed.